Government of Saskatchewan

Financial Statement 2002-2003

School Division Tax Loss Compensation Fund

Saskatchewan
Our Future is Wide Open

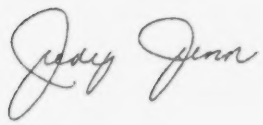
Letter of Transmittal

The Honourable Dr. Lynda M Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour,

I have the honour to submit for your consideration the Financial Statements of the School Division Tax Loss Compensation Fund for the year ending March 31, 2003.

Respectfully submitted,



Judy Junor
Minister of Learning

SCHOOL DIVISION TAX LOSS COMPENSATION FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

SASKATCHEWAN

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the School Division Tax Loss Compensation Fund as at March 31, 2003 and the statement of operations and net assets for the year then ended. The School Division Tax Loss Compensation Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the School Division Tax Loss Compensation Fund as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 23, 2003

Fred Wendel, CMA, CA
Provincial Auditor

School Division Tax Loss Compensation Fund
Statement of Financial Position
As at March 31

	2003	2002
Assets		
Due from General Revenue Fund (Note 3)	$ 4,353,262	$ 3,813,492
Accounts receivable	144,309	428,482
	$ 4,497,571	$ 4,241,974
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 587,224	$ 766,500
Net assets (Statement 2)	3,910,347	3,475,474
	$ 4,497,571	$ 4,241,974

(See accompanying notes to the financial statements)

School Division Tax Loss Compensation Fund
Statement of Operations and Net Assets
For the Year Ended March 31

	2003	2002
Revenue		
Contributions	$ 1,336,103	$ 2,023,068
Interest income	100,847	111,609
	1,436,950	2,134,677
Expenses		
Compensation to school divisions (Note 6)	1,002,077	1,517,300
Surplus for the year	434,873	617,377
Net assets, beginning of year	3,475,474	2,858,097
Net assets, end of year - to Statement 1	$ 3,910,347	$ 3,475,474

(See accompanying notes to the financial statements)

School Division Tax Loss Compensation Fund
Notes to the Financial Statements
March 31, 2003

1. Purpose and Creation of the Fund

The School Division Tax Loss Compensation Fund (Fund) was created by an amendment to *The Education Act* through *The Treaty Land Entitlement Implementation Act.* The amendment came into force on June 22, 1993. Order in Council #840/94 established regulations to administer the Fund on December 14, 1994.

The Fund is administered by the Department of Learning on behalf of school boards. The purpose of the Fund is to provide tax loss compensation to school divisions that lose tax revenue as a result of lands within that school division being set apart as an Indian reserve. The Fund receives money from the provincial (Intergovernmental and Aboriginal Affairs) and federal (Indian Affairs and Northern Development Canada) governments as part of the Treaty Land Entitlement Framework Agreement. Payments are made to affected school divisions according to the formula stated in the regulations.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles.

3. Due from the General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund. The Fund's interest is calculated and paid from the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for the year ended March 31, 2003 is 2.62% (2002 - 3.41%).

4. Financial Instruments

The Fund's financial instruments include due from General Revenue Fund, accounts receivable and accounts payable. Due to the immediate or short-term nature, the fair value of these financial instruments approximates their carrying values.

5. Related Party Transactions

The Fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Learning. Included in revenue is $400,831 (2002-$606,920) from Intergovernmental and Aboriginal Affairs, of which $43,293 (2002-$128,545) was receivable at March 31, 2003.

6. Cash Flow Statement

A cash flow statement has not been presented since the cash flow information is readily apparent from the other financial statements.

7. Compensation to School Divisions

Organization	2003	2002
Battle River School Division #60	$ 1,147	$ 5,303
Battlefords School Division #118	103,123	326,153
Biggar School Division #50	47,255	12,015
Broadview School Division #18	170,470	16,130
Buffalo Plains School Division #21	--	35,650
Cupar School Division #28	106,802	66,892
Deer Park School Division #26	66,417	45,773
Landswest School Division #123	73,058	78,611
Meadow Lake School Division #66	--	92,070
Northern Lakes School Division #64	17,945	191,186
Outlook School Division #32	--	18,408
Paynton School Division #102	4,502	7,194
Potashville School Division #80	99,765	97,303
Prairie View School Division #74	41,493	36,729
Saskatchewan Central School Divivion #121	98,868	--
Saskatchewan Valley School Division #49	36,739	197,995
Scenic Valley School Division #117	32,470	41,183
Shamrock School Division #38	80,257	7,412
Turtleford School Division #65	7,708	23,835
Wakaw School Division #48	--	211,127
Yorkdale School Division #36	14,058	6,331
Total	$ 1,002,077	$1,517,300